

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

RIPPLE SERVICES, INC.,

Plaintiff,

v.

BETUR INC.,

Defendant.

Case No. 23-cv-06215-LJC

**ORDER DENYING WITHOUT
PREJUDICE ADMINISTRATIVE
MOTION TO FILE UNDER SEAL
PORTIONS OF COMPLAINT**

Re: ECF No. 2

Plaintiff Ripple Services, Inc. (Ripple) brings this action against Defendant Betur Inc. (dba Coins.ph) (Coins) for breach of contract in connection with a written settlement agreement the parties entered into in May 2023 (the Settlement Agreement). See ECF No. 1 (Compl.) ¶ 1. The Settlement Agreement was the result of a dispute regarding fees that Coins was charging under another contract, the Exchange Integration Agreement, entered by the parties in 2018. Id. ¶¶ 9–10. Ripple now brings this Administrative Motion to File Under Seal Portions of its Complaint (Motion to Seal) pursuant to Local Rule 79-5. ECF No. 2. Ripple wants to seal information about the terms of the Settlement Agreement, including the schedule for payment installments and payment amounts that Coins agreed to make to Ripple. Ripple argues that the Settlement Agreement is confidential, and that public disclosure of information about the Settlement Agreement “would harm Ripple’s competitive standing and its ability to negotiate future agreements.” Id. at 3. Coins has not yet appeared in this matter, and there is no opposition to the Motion to Seal.

Two standards govern motions to seal portions of court documents: a “compelling reasons” standard, which applies to dispositive pleadings, and a “good cause” standard, which applies to non-dispositive pleadings. See Kamakana v. City & Cnty. of Honolulu, 447 F.3d 1172, 1179 (9th

1 Cir. 2006). Court documents that are technically non-dispositive may still require the party to
 2 meet the “compelling reasons” standard when they are more than tangentially related to the merits
 3 of the case. See Ctr. for Auto Safety v. Chrysler Grp., LLC, 809 F.3d 1092, 1101 (9th Cir. 2016).

4 “Because the complaint is more than tangentially related to the merits of the case, the
 5 compelling reasons standard governs the sealing request.” Sjostrom v. Kraatz, No. 16-CV-01381-
 6 DMR, 2016 WL 3940886, at *2 (N.D. Cal. July 21, 2016); In re NVIDIA Corp. Derivative Litig.,
 7 No. 06–cv–06110–SBA, 2008 WL 1859067, at *3 (N.D. Cal. Apr. 23, 2008) (“While a complaint
 8 is not, per se, the actual pleading by which a suit may be disposed of, it is the root, the foundation,
 9 the basis by which a suit arises and must be disposed of.”) Compelling reasons generally exist
 10 “when such ‘court files might have become a vehicle for improper purposes,’ such as the use of
 11 records to gratify private spite, promote public scandal, circulate libelous statements, or release
 12 trade secrets,” Kamakana, 447 F.3d at 1179 (quoting Nixon v. Warner Commc’ns, Inc., 435 U.S.
 13 589, 598 (1978)), or where court files may serve “as sources of business information that might
 14 harm a litigant’s competitive standing.” Nixon, 435 U.S. at 598–99.

15 As an initial matter, Ripple claims that the Settlement Agreement is confidential, but does
 16 not indicate whether it contains a provision on confidentiality, nor does Ripple provide a copy of
 17 the Settlement Agreement for the Court to assess whether the parties’ intent was for it to be
 18 confidential. But courts in the Ninth Circuit have generally accepted private confidentiality
 19 agreements as “good cause” justification for sealing non-dispositive pleadings and ancillary
 20 documents. See, e.g., Skokomish Indian Tribe v. Goldmark, No. C13-5071JLR, 2013 WL
 21 6086075, at *2 (W.D. Wash. Nov. 19, 2013). “[T]he mere fact that the parties’ settlement
 22 agreement may contain a confidentiality provision, without more, does not constitute a compelling
 23 reason to seal the information.” Helix Env’t Plan., Inc. v. Helix Env’t & Strategic Sols., No.
 24 318CV02000AJBAHG, 2021 WL 120829, at *1 (S.D. Cal. Jan. 13, 2021); see also Select
 25 Portfolio Servicing v. Valentino, No. C 12–0334 SI, 2013 WL 1800039, at *3 (N.D. Cal. Apr. 29,
 26 2013) (“That [the parties] agreed among themselves to keep the settlement details private, without
 27 more, is no reason to shield the information from...the public at large.”).

28 Ripple cites to case law finding compelling reasons to seal confidential business

information contained within certain contracts and agreements between business entities. ECF No. 2 at 2. But those cases are inapposite. Some of them were sealing trade secret information. See, e.g., In re Google Inc. Gmail Litig., No. 13-MD-02430-LHK, 2014 WL 10537440, at *5 (N.D. Cal. Aug. 6, 2014); Skillz Platform Inc. v. AviaGames Inc., No. 21-CV-02436-BLF, 2023 WL 7678649, at *2 (N.D. Cal. Nov. 13, 2023). The information that Ripple seeks to keep under seal here does not appear to be trade secret information. Nor does the information relate to the production of a good, provision of a service, or any other aspect of Ripple’s business operations. See Aya Healthcare Servs., Inc. v. AMN Healthcare, Inc., No. 17CV205-MMA (MDD), 2020 WL 1911502, at *3 (S.D. Cal. Apr. 20, 2020) (finding compelling reasons to seal information which reflected “terms upon which AMN is willing to do business with its associate vendors and other competitively sensitive business information, such as pricing and fill requirements”) (internal quotation marks and citation omitted); In re Elec. Arts, Inc., 298 F. App’x 568, 569 (9th Cir. 2008) (sealing “terms, royalty rates, and guaranteed minimum payment terms” found in a licensing agreement).

A declaration from Ripple’s attorney, David M. Grable, in support of the Motion to Seal (Grable Declaration) expresses concern that public disclosure of information about the Settlement Agreement “would harm Ripple’s competitive standing and its ability to negotiate future agreements by giving competitors access to Ripple’s highly confidential business thinking and asymmetrical information about Ripple’s negotiating strategies to other entities.” ECF No. 2-1 at 2. It is possible that a competitor may utilize the information that Ripple seeks to seal to its advantage. However, that information relates to how Ripple resolves contract disputes in the context of settling a lawsuit or potential lawsuit, which is similar to information that is commonly publicly available on federal court dockets across the nation, not information that concerns how Ripple operates its business.

As such, the Court **DENIES** Ripple’s Motion to Seal without prejudice. Ripple may renew its motion, addressing the deficiencies noted above, within fourteen days of the date of this Order. The unredacted version of the Complaint currently on the docket, Exhibit A to the Grable Declaration (ECF No. 2-3), shall remain temporarily sealed until a determination on any renewed

1 motion is reached. If Ripple declines to renew the motion, then by the deadline specified above, it
2 must file a public version of the Complaint on the docket.

3 **IT IS SO ORDERED.**

4 Dated: February 1, 2024

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7 LISA J. CISNEROS
8 United States Magistrate Judge
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United States District Court
Northern District of California